

# Legislative Issue Brief – State Budget



## Catawba County Board of Commissioner's Legislative Goal

**Oppose any State efforts to force additional unfunded mandates or take away local revenues as a result of the State budget crisis**

### Background

At the beginning of the 2009-2010 State budget process the General Assembly was faced with a \$3.2 billion shortfall. Fiscal challenges have continued into the current year. Most recent reports show that the State's General Fund revenues are \$110 million below target and overall collections are 1.5% below target. During previous State budget crises, the Governor and the General Assembly reduced the deficit by passing on additional unfunded mandates to counties or withholding local revenue. The impact of these actions is a growing burden on local taxpayers to pay for the State's budget shortfall.

To balance the 2009-2010 State budget, the General Assembly took several actions that impacted counties. Some of the major actions are highlighted below:

- Suspended Average Daily Membership (ADM) Funds for school capital for two years (Approximately \$1.3 million each year)
- Eliminated \$18 per day jail misdemeanor payments (\$187,478)
- 10% of Court Facility Fees were taken by the State (\$25,000 projected based on 08-09 revenues)
- Reduced allocation to schools, resulting in a combined budget decrease of \$8,884,134 for all three school districts.
- Cut funding to Catawba Valley Community College by \$1.2 Million as a result of a 3.5% cut to the original budget and a 5% reversion (2% was returned to CVCC due to enrollment growth).
- Decreased funding to the ASU Center in Hickory (Hickory Metro Higher Education Center) by \$250,000
- Cut Beer and Wine revenues by 2/3, resulting in an estimated \$245,000 loss to Catawba County.
- Required counties to provide office space to employees of the Department of Corrections assigned to the district court, which is a potential impact of \$38,000.
- Made reductions to Public Health in the Smart Start Program, and just recently made additional cuts to this program as well as Health Check. These reductions totaled \$102,898.
- Cut JCPC allocation by 5%; a reduction of \$17,943 dispersed among various programs.
- Cut funding for several programs within the Department of Social Services and also imposed unfunded mandates that resulted in an impact of \$550,650. Besides a reduction in direct aid, affected programs include Family N.E.T, Smart Start, Catawba County Schools, JCPC for Corner House I & II and Family N.E.T, and Mental Health Service Definitions.

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